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Students and the Education Factory



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A Marxist analysis of the education crisis

by Grant Brookes & David Colyer

A ***Socialist Worker*** pamphlet

\$2

A Socialist Worker Pamphlet

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CONTENTS

Introduction: It's time for a change	3
1. A system in decay	7
2. What's wrong with user-pays?	12
3. Capitalism and education	17
4. Students fight back	30
5. VSM – An attack on students' power	40
6. The case for socialism	45

IF THIS is a firm then the board of regents are the board of directors and president Kerr is in fact the manager, then the faculty are a bunch of employees and we're the raw material. But we're a bunch of material that don't mean to be made into any product, don't mean to end up being brought by some client of the university. We're human beings... There is a time when the operations of the machine become so odious, make you so sick at heart that you've got to put your bodies upon the gears and upon the wheels, upon the levers, upon all the apparatus and you've got to make it stop.

Mario Savio, speaking to 6,000 students about to occupy the Berkeley University administration building, 2 December 1964.

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Introduction: It's time for a change

“STUDENTS AND low paid big winners”, announced a headline in the *NZ Herald* in December, 1999. The front page article was reporting moves by the new Labour-led government to waive interest on student loans for those still in tertiary study or earning under \$25,000 a year. But the views of newspaper editors aside, students are not big winners. Along with beneficiaries and workers, they have lost out massively through 15 years of “more market” reforms.

Taking up where the last Labour government left off, National spent the 1990s restructuring higher education at the expense of students and campus workers.

In 1999, the average tertiary fee was over \$3,200. Three out of every four students received no allowance. The vice-chancellors committee published a survey showing that over half of university students now work during term time. Nearly three quarters of them are forced to skip classes to earn enough to live.

A year earlier, Auckland University announced that the number of students seeking assistance from the Student Hardship Fund was up 600% on 1992. Auckland massage parlours and strip clubs advertising for “students or would-be students” said they’d been “run off their feet” by the response.

The student loans scheme, introduced in 1992 amid rhetoric about “increasing opportunities”, has simply allowed tertiary institutions to charge ever higher fees. By November 1999, students had run up a combined debt to the government of over \$3.4 billion. Since 1996, Housing New Zealand has been refusing mortgages to graduates because of their student loan debt. A survey of Dunedin bank managers three years later found nearly half were doing the same.

For staff, the trickle of redundancies is becoming a flood as university departments are down-sized or closed. Since 1996, Otago University has closed the departments of Theology, Drama, Russian Studies, French, German and Education. Waikato has axed the Womens Studies department. Victoria announced 25 job losses in Humanities and Social Sciences in late 1999. Staff in Science departments were bracing themselves for an even bigger wave of redundancies.

These job losses and pay cuts could well be just the beginning. According to the Ministry of Education, half of New Zealand’s 39 public tertiary institutions were showing “financial weaknesses” in 1997.

The tertiary managers who’ve worked hand in glove with National, meanwhile, have been raking it in. Education, both secondary and tertiary, is now an “export commodity”. Overseas students are paying \$500 million a year in fees to learn in New Zealand, funding six-figure management salaries and allowing chronic government underfunding to continue.

Nine years of National rule, coming after waves of cuts under Labour and

under Muldoon's National government before that, has decimated the tertiary sector. A sign of how deep the crisis has become is seen in university enrolments. In 1998, the total number of New Zealand university students fell. This was the first drop in nearly 50 years.

Many students and campus workers hoped the election of the Labour-Alliance government would bring a change. Those hopes are evaporating as Labour stamps its dominance on the coalition. Before the election, Alliance education spokesperson Liz Gordon declared that Labour's tertiary policies would do "little or nothing" to address the crisis.

The *NZ Herald* may trumpet Labour's moves to waive interest charges for some. But as Gordon pointed out, "their policies do not alleviate, at all, the causes of student debt". The debt will continue to grow. The Ministry of Education expects that tertiary enrolments will fall each year until 2002, despite Labour's interest cuts.

Labour has pledged not to reverse any of National's most vicious cuts. Most students will still be denied allowances. National's loans scheme is to stay. Labour has even refused to promise that fees will fall. Labour's aim is to cement in place all the key components of National's restructuring. The Alliance, restricting themselves to Parliamentary channels, are powerless to do any different.

The first year of Labour-Alliance government will see tertiary fees averaging \$3,500. The cost of a degree in medicine at Auckland University will be a whopping \$60,000. This is an enormous turnaround, considering that tertiary education was virtually free for New Zealand students until 1990.

But the nineties saw not only wave after wave of cuts. They also witnessed the emergence of a real force for change – militant resistance by students and staff. In 1996, a wave of occupations swept the campuses. University students occupied their administration buildings at Lincoln, Otago, Massey (twice), Victoria and Auckland. Students also occupied at Northland Polytechnic and the Auckland College of Education.

Lecturers at Otago and Massey called stop-work meetings which resolved to support the student occupations. Tutors at 11 polytechs walked off the job for 24 hours, and lecturers at Waikato University struck – just the second time that university academics had taken industrial action in New Zealand. Lecturers at the Auckland Institute of Technology struck twice.

The wave of occupations and strikes ended in a clear victory for militant action. Not only were proposed student fees rises scaled back at Otago, Auckland and Massey, but National was forced to reverse its long-held policy of "targeting" for student allowances and promised to "work towards a universal system of living allowances for tertiary students". Only the waning of militant action allowed the government to welsh on the deal.

The effectiveness of direct action was confirmed again in 1999. Canterbury students occupied twice, closing down the university registry. Their example inspired occupations at Auckland and Victoria and protests at Otago, Massey

Albany and Waikato University. Lecturers at Victoria struck twice and withheld exam results in a concerted campaign of industrial action. Students launched a petition in support. The lecturers scored a total victory.

The militant action at Canterbury resulted in the biggest ever win for students. Proposed fee rises for 2000 were halved, saving 12,000 students up to \$800 each. But more than this, the mass opposition by students and workers on campuses up and down the country again forced a change in government policy. Proposed cuts to loan interest rates were brought forward a year and the amount available for course-related costs was doubled to \$1,000.

The picture is similar internationally. In 1997, undergraduate students at many Australian universities faced the introduction of up-front fees. Student occupations erupted on a national scale not seen in decades.

Sydney students led the way with a three-day occupation at the University of Technology (UTS). Then, on the May 8 National Day of Action, students occupied in Melbourne, Sydney, Brisbane and Adelaide. Students at the Royal Melbourne Institute of Technology occupied their Finance Centre for 19 days in August.

The UTS occupation proved that militant action works – university management decided to delay any decision on fees, even though they were initially among the most eager to bring them in. At many Australian universities, including Flinders, La Trobe, Griffith, University of Queensland, QUT, Newcastle, Wollongong, UNE and James Cook, fees have still not been introduced.

Australian students occupied again in 1999. The Student Services Centre at the University of Western Sydney was held for two weeks to force campus managers to accept a “log of claims”. The vice-chancellor, who wouldn’t even meet with students before the occupation, caved in to virtually all their demands. He agreed to limit tutorial sizes, not cut courses, provide 24-hour computer lab access and much else besides.

French students, too, suffer overcrowded universities and funding cuts. Students at Rouen University were the first to fight back, forcing the government to fund more staff and better facilities after three weeks of strikes and protests in 1995. This led to a sharp rise in student militancy. And when nuclear tester president Jacques Chirac announced plans to slash welfare, bringing millions of workers out on strike in December 1995, 160,000 students joined the protests.

Within hours of one mass protest the government was panicked into announcing an emergency plan to create more teaching jobs and better facilities at the poorer universities. The establishment British newspaper, *The Times*, described the mass strikes and protests as “the most threatening event in Western Europe during the 1990s”.

The struggle had an enormous impact. When education ministers from the OECD club of western industrialised nations met in Paris in 1996 to discuss loans schemes and fees, Francois Bayrou, a member of Chirac’s government, boycotted the meeting. He declared: “France has a tradition of public, free

education and there would be a serious crisis if that was undermined.” The mass movement had made it impossible to introduce fees. Today, tertiary education in France is free.

This example shows what can be achieved if students and workers unite. The indications are that a similar explosion of anger by students and workers could happen here in New Zealand. The last half of 1999 saw a rise in strikes as well a revival of struggle on the campuses. After a decade of defeats, Jenny Shipley’s imminent departure helped to boost confidence among some workers. When Labour again betrays their hopes, many more could be moved to action.

The clearer we are about the possibilities of such a rise in struggle, the better our chances of winning the battles ahead. This pamphlet is a contribution towards building on the anger which exists now and helps point out what needs to be done to ensure the coming struggles are successful.

1. A system in decay

JUST TEN days after the economy slid into recession in the wake of the Asian crisis, the knife was out for tertiary education. The \$316 million package of spending cuts announced by treasurer Winston Peters in July 1998 included a \$62.5 million reduction for the tertiary sector.

The announcement was the latest of many. Years of cutbacks have hammered students and staff and driven tertiary education into deeper and deeper crisis. As early as 1996, the Ministry of Education was admitting that it would take a woman an average of 38 years to repay her student loan. A man would still be paying 15 years after finishing his study. Half of all Maori women will still be making loan repayments when they retire. Since 1996, student debt has doubled. When NZUSA repeated the calculations in 1999, they found that the average length of time it would take for a woman to pay off a \$20,000 student loan was 51 years.

The average student fee in 1989 was \$125. Ten years later, it had risen to \$3,220. This huge increase in student contributions has allowed governments to cut spending on higher education. Government funding to the universities for each equivalent full-time student fell from \$11,400 in 1992 to \$6,700 in 1998. The proportion of course costs paid by New Zealand students at public institutions are now the highest in the industrialised world. Even public universities in the United States charge less.

Student workloads are soaring. The semester system, promoted during the early nineties as bringing more “flexibility” for students, has instead allowed institutions to cram whole-year papers into half-year slots and charge course fees twice. At the same time, student allowance cuts in 1992 have forced half of all students to work part-time jobs during term time. The effect is harrowing. In 1997, counselling services at Auckland University said they saw 360 students who were depressed or suicidal. At the Auckland Institute of Technology, the number was 500.

Overcrowding in lecture theatres, computer rooms and libraries has reached massive proportions. Queues for even basic resources like photocopiers continue to grow. Equipment is being run down, sometimes to dangerous levels. Staff workloads are spiralling as they are forced to teach larger and larger classes.

Yet when lecturers at 11 polytechs struck and won a pay rise in 1996, it was their first increase in seven years. The Victoria lecturers who struck three years later had suffered a pay cut of 6% in real terms since 1990.

Today’s crisis in tertiary education was already building under the last Labour government. Between 1985 and 1989, university funding per student fell by a quarter. But the roots of the crisis go back further to the early 1970s. To understand what’s happened in education, it is vital to look at the wider

economic picture.

Crisis in the market

Like the health crisis and the housing crisis, the crisis afflicting tertiary education is a product of a generalised crisis of capitalism.

Last century, Karl Marx outlined how the market forces built into capitalism create the economic cycle of boom and slump. When the economy is growing and demand for goods and services is expanding, he explained, rival companies invest to increase their output.

But in the competitive race for profits, there is no co-ordination. Each company aims to capture the lion's share of the growing market for themselves. Inevitably, overall supply exceeds demand. Unsold products suddenly start piling up and company revenues fall. Each responds in the same way – by slashing costs and cutting jobs. The overall effect is to increase unemployment, drive down effective demand and worsen the recession.

In Marx's day, the recession itself tended to create the seeds of a recovery. Bankruptcies drive some companies to the wall. Others are bought out in takeovers and mergers. The companies which survive scale back their output. At huge social cost, the crisis of overproduction would be resolved.

But Marx also argued that over time, the slumps would tend to get deeper and the recoveries would be shallower and shorter. This is because, contrary to today's prevailing economic theories, the source of all profit is the labour performed by the workers. Marx saw that competition would eventually force each company to increase the productivity of its workforce by investing more and more in machinery, plant upgrades or (in our day) information technology. As a result, the proportion spent on employing the workers who create the profits would fall.

He envisaged that a situation would eventually arise where each worker produces more and more, and company profits may even be on the rise, but still the rate of return on overall investment would be dropping. When the rate of return drops below a certain point, investors do not find it worthwhile to inject new capital and economic growth stagnates.

In the long run, said Marx, the in-built tendency for the rate of profit to fall will lead capitalism into a period of prolonged, intractable crisis.

Global capitalism entered such a crisis in the early 1970s. The global recession of 1974 was followed by another in 1980 and another in 1990, with only weak flickers of recovery in between. The "Asian crisis" of late 1997 proved to be the herald of another global downturn.

The old mechanism of resolving overproduction through bankruptcies will no longer work, as today's mega-corporations have become so few and so large that the collapse of any one of them could bring down the whole system. Instead, we see desperate bail-outs to stop loss-making firms from going under.

The New Zealand economy is driven by the same market forces and interacts with the global capitalist system. Apart from a brief period of recovery in

1993 and 1994, it too has been in permanent crisis since the early 1970s. For 14 years from 1974 to 1987, economic growth was virtually zero – averaging just 0.59%. Today's anaemic recovery is certain to give way to another slump sooner rather than later.

Shifting the burden

Today's education crisis is a product of the desperate drive by successive governments to restore business profitability. The 1987 *Watts Report* into tertiary education revealed that between 1975 and 1986, funding to the universities fell by 26%. These cuts were made to fund tax breaks for businesses and wealthy investors aimed at reviving a system in decay.

A vast range of new "tax incentives" for companies appeared in the late 1970s to stimulate new investment and growth. At the same time, tertiary cuts were starting to bite. In 1980, the university vice-chancellors committee published a report titled *New Zealand Universities in a Time of Economic Crisis*, expressing alarm over funding cuts and falling staff:student ratios.

But the biggest handouts to the rich were made after 1984. Labour's deregulation of the money markets opened up huge opportunities for tax avoidance. In 1986, a survey of 25 of New Zealand's top companies found they paid an average of just 5¢ in the dollar in tax. That year, Labour cut the official top tax rate from 66¢ in the dollar to 48¢. Two years later, they cut taxes for the rich again – down to 33¢. At the same time, they cut company tax from 48¢ to 33¢.

By 1988, 13 years of spending cuts had brought the tertiary sector near to collapse. Restricted entry, previously only applied to medicine and law, was introduced for university courses in commerce and computing. The *Hawke Report*, commissioned by the Labour government, proposed a radical new solution to the crisis – student fees and a "graduate tax" for those earning over the average wage. The Business Roundtable went further. It called for further cuts to tertiary spending and for a system of fees and loans for all students.

But it didn't have to be this way. Economic stagnation intensified the class struggle in Aotearoa. The ruling class stepped up its efforts to make students, staff and the wider working class pay for the capitalist crisis. But we have no stake in the system's survival. After decades of cuts to help the economy, our "reward" was more cuts when it spirals into recession once more. And still the rate of profit has not been restored to the levels of the 1950s and 1960s.

Massive resistance by students and staff succeeded in knocking back some of the attacks. In 1979, the National government of Robert Muldoon was forced to back down over its plan to cut university funding by \$3 million after protests by students and teachers. A storm of protests in 1989 defeated Labour's plan to bring in a student loans scheme. Student protests in 1994 killed off "Option B" of the *Todd Report*, which would have seen fees double what they are today. And the wave of anger over the 1997 *Green Paper* (which

became the *Tertiary Review White Paper* a year later) sank National's plans to appoint boards of directors to run tertiary institutions and levy a "capital charge" which would have pushed university fees higher still.

"No going back" says Labour

In the 1999 general election, a clear majority rejected National's ongoing drive to make students, workers and beneficiaries pay for the crisis of capitalism. Labour was able to win their allegiance through talk of "change" and "fairness". But at the same time, they insisted, the reforms of the last 15 years aimed at lifting profitability were "necessary". Under Labour, there would be "no going back".

Labour's ideas about how to best revive New Zealand capitalism differ from National's. But they are just as committed to restoring the generally low rate of profit. In an age of capitalist crisis, this means that any real "change" is ruled out and "fairness" is impossible.

The seven key pledges listed on Labour's "credit card" manifesto included a promise to "cut the cost of tertiary education". While it's true that fees will be lower than if National had won the election, they won't be lower by much. In the 2000/2001 year, Labour will spend just \$55 million on reducing fees. This will roughly cancel out National's last cut and take funding back to 1999 levels, without adding anything to make up for inflation.

"This is hardly going to reduce the cost for students to participate in tertiary education", observed NZUSA co-president Karen Skinner.

If students wait for things to get better to "give Labour a chance", they'll be waiting for ever. In the 2002/2003 year, additional government spending on course subsidies will still be a paltry \$95 million, but spread over more students. Labour themselves have refused to say that fees will actually come down.

The Alliance puts the cost of restoring free education and universal allowances at just \$1.3 billion. But Labour refuses to reverse National's tax cuts to fund real moves towards this goal. They are adamant that there will be no increase in taxes for the rich over and above their modest 6¢ rise for those on over \$60,000. According to Labour's own estimates, this will bring in an extra \$400 million a year – just a fraction of the \$3 billion that National handed back to the rich between 1996 and 1999 alone.

Finance minister Michael Cullen warned that even Labour's minuscule increases in tertiary spending could be trimmed "if the economy performed worse than expected". Yet when it appeared in late 1999 that economic growth was higher than forecast, putting more money into government coffers, his response was the same as his National predecessor. He reassured corporate readers of the *National Business Review*: "The figures may be slightly better but insofar as they are slightly better it is not money that ought to be spent."

His reason? "Business confidence". Chronic low profitability means that even during today's economic recoveries investors are not lining up with new capital. Government, declared Cullen, must run big budget surpluses in the

hope of boosting business confidence, stimulating investment and creating economic growth.

Labour has always sought to put business needs first. But in the days when the New Zealand economy was booming – as it was for three decades after 1945 – Labour governments could be pushed from below into delivering more social spending and still the bottom-line needs of business would be met. Grudging bosses could be convinced to part with a small share of their wealth to satisfy working class demands.

Those days are long gone. Business profitability nowadays is sufficiently low that the bosses will scrap over every cent. Eating into profits could lead to a drastic drop in investment and economic collapse.

This is not to say that basic rights like free education are out of reach. Today, more wealth is created in New Zealand annually than ever before. Corporate profits are huge. It is just that the amount of money sunk into firms over the years is bigger still, giving a low return on investment. The insane logic of capitalism dictates that profits must rise further so that capitalists will keep on investing and stimulating economic growth. Students, along with workers and beneficiaries, are drowning from want in a sea of plenty in order that capitalism might survive – and this during a so-called economic recovery.

To restore our rights today will take more than voting and lobbying. It will require an all-out fight against the system. Not building such a fightback will mean that we start on the back foot when the next recession drives more wholesale cuts. To build such a struggle, we have to be politically clear about what's wrong with Labour's plans and what the alternative is.

2. What's wrong with user-pays?

MANY STUDENTS accept the argument that it's fair to pay something towards their education. Many more are astounded to discover that tertiary education was free up to around a decade ago. We need to reclaim the idea that education should be a right, not a privilege – an opportunity open to everyone throughout their lives.

Tertiary education was made free by the first Labour government in 1940. National started clawing back this gain when they brought in a \$1,500 fee for overseas students in 1979. From the outset, the clawbacks were met with protests. One placard at a Canterbury University demonstration carried the prophetic message: “1979 – \$1,500 fees. What comes next?”

Labour abolished free education altogether. In 1988, they announced an 80% increase in the \$80 “administration fee”. The following year, the man who now holds the cabinet portfolios of justice and foreign affairs and trade, Phil Goff, toured the campuses as associate education minister. His message to students was that the country could no longer afford free tertiary study. This tour came just six months after Labour gave the rich their biggest tax cut in New Zealand history.

In 1989, Labour introduced all the arguments in favour of user-pays later picked up by National. Despite the fact that user-pays would affect all students, Labour focused the debate on university students.

They accused them of taking education funding away from kindergartens. Yet between 1978 and 1988, the share of the overall education budget allocated to universities actually fell. The claim was simply an attempt to divide students and early childhood workers, who were both being starved of funds, and isolate students from the wider public. They said that university students were “middle class” and it was unfair for them to be subsidised out of workers’ taxes. But Labour’s concern for the heavy tax burden on low-income earners was a sham. The huge changes they made to the tax system in 1986 and 1988 left low-income earners saddled with GST and far worse off.

Labour also made the claim, echoing the Business Roundtable, that user-pays would not deter students from disadvantaged and low-income backgrounds because everyone would have access to a loan. Crucially, Labour promoted the idea that a tertiary education was a ticket for the gravy train and so students should pay for the “private benefit” they receive. Despite a 1987 election promise not to raise fees, Labour brought in fees of \$1,250 for 1990.

Labour’s deregulation of the tertiary sector in 1990 also allowed institutions to charge overseas students full fees of up to \$24,000 a year. They said New Zealand students would benefit from the extra cash and guaranteed that full fees would not be applied to them.

New Zealand students saw no benefit. But six years later, New Zealand

students in the fourth year of physiotherapy at Otago University were paying full fees of \$14,000. The Auckland Institute of Technology was charging full fees for physiotherapy as well. And Otago was charging local students full fees for Foundation Studies courses.

Every one of Labour's claims was a lie. But they had opened the door, and when National was elected at the end of 1990, they were happy to walk through it. The new education minister, Lockwood Smith, conveniently forgot his famous pre-election promise to abolish fees or resign. Instead, he presided over fee increases.

The claim that graduates receive a "private benefit" from their degree became the key idea of the 1994 *Todd Report* into tertiary education. National adopted the report and used it to justify annual cuts to tertiary spending. Since 1994, fees have doubled.

Today, Labour is determined that there's "no going back". Twelve months out from the election, tertiary education spokesperson Steve Maharey declared that as far as he's concerned, "there will always be a cost to the student".

But when he released Labour's complete tertiary policy the following year, it was even worse than expected. For the year 2000, that cost will average \$3,500.

NZUSA co-president Karen Skinner stated the plain fact. "They're still going to implement a really, really harsh user-pays system."

Why should we stand up for free education?

There is a lot more at stake than students not wanting to pay. There is the reality that many students can't pay. Fees affect who gets access to education. In the past, high tuition fees were used to keep universities as the exclusive bastion of the privileged.

Today, fees and loans are beginning once again to exclude people from working class families. School leavers are weighing up the cost of studying against the "benefit" of a degree – whether it is worth living in poverty for three or more years only to have to spend years more paying off a student loan.

In the 1980s, university students were not all "middle class". Students whose parents had "professional" or "managerial" jobs were over-represented on university campuses, but they were still a minority. In 1988, a slim majority of university students (52%) had parents who were blue-collar ("unskilled") or white collar ("sales, teaching, skilled") workers.

But first year university enrolments by New Zealand students fell each year from 1992 to 1998. The young people denied a university education were precisely those from disadvantaged and low-income backgrounds. By 1996, a large number of students still came from working class families. But a majority (60%) were now from "professional" or "managerial" backgrounds.

Under user-pays, the worst affected have been the worst-off – the poor, Maori and Pacific Islanders. These people have always been under-represented at universities. Maori first-year enrolments rose steadily in the late 1980s. But be-

tween 1994 and 1997, they fell by 28%. The proportion of Maori school-leavers going on to university was down from 8.3% to 7.1%. Pacific Island enrolments fell also. In one year from 1996 to 1997, they dropped a whopping 25%.

The reason is clear. They find it even harder to afford user-pays education. Of Pacific Island students who did enrol at university in 1999, 70% took out loans, compared with 60% of Maori students and 48% of Pakeha students. Market forces have strengthened existing patterns of ruling class privilege on the university campus.

Today, the *Alternative White Paper* published by NZUSA and APSU reveals that in the poorest 20% of schools, only one school-leaver in sixteen goes on to university. This compares with one school-leaver in three from the richest 20% of schools. And the gap is growing. The 1999 report of the Taskforce for Improving Participation in Tertiary Education found a 33% decline in the proportion of students entering university from these poorest schools between 1994 and 1997.

Increasingly, user-pays is also shutting the door on a polytech education. In 1997, only 15% of polytech first-years came from the poorest 30% of schools, down from 19% two years earlier.

Labour and National both justified their attacks by claiming that working class taxes were subsidising the children of the rich and the middle classes to go to university. But the introduction of user-pays has not helped working class families – it merely added an extra hurdle on the road to university education, a hurdle the rich could easily jump.

The situation is intolerable. Yet is precisely this situation that Labour now aims to “stabilise”. Speaking to the polytech lecturers’ union in 1999, Alliance leader Jim Anderton labelled Labour’s proposed fee “far too much”.

“It is a barrier to participation”, he said, “preventing our best and brightest from getting a complete education.”

“But don’t graduates benefit from their degree?”

Contrary to the picture painted by the last Labour government and the *Todd Report*, university graduates are not necessarily well paid. According to the latest comprehensive study, the *1996 Graduate Employment Survey*, 56% of New Zealand graduates who do manage to find a job start on less than \$30,000. The only ones with median starting salaries above the average wage of \$32,000 were those with degrees in medicine, veterinary science, technology or forestry. In 1996, they made up just 5% of all graduates.

Many students end up doing routine white-collar jobs on mediocre wages. A survey of Auckland University’s 1996 English graduates found that of those who were in work, 85% were employed as shop assistants, clerks, office assistants, sales representatives, waiters/waitresses, primary teachers or receptionists.

A “professional” degree doesn’t guarantee anything better. In 1999, after three years of tertiary study, a registered nurse at Christchurch Hospital had a starting salary of \$25,000 – or just \$12.12 an hour. And of course, graduates are

not guaranteed a job. Contrary to the picture of “wealthy Asians”, figures from the Equal Employment Opportunities Trust revealed that 39% of 1998 Asian university graduates were still looking for a job in mid-1999. The unemployment rate of 1998 European graduates, while lower, was still 22%. Each year, over 10% of graduates seeking work remain unemployed.

This is not to deny that some graduates do go on to earn higher salaries in the longer term. But according to Sylvia Dixon of the Labour Department, the average wage for all employees with degrees fell by 17% between 1990 and 1994. The number of graduates who end up with sizeable incomes is small and shrinking.

While only a few gain huge financial benefits from a degree, all graduates are saddled with crippling costs. More than two thirds of students have been forced to take out student loans. Since 1992, over 324,000 students have racked up more than \$3.4 billion in debt through the loans scheme.

All graduates have given up three or more years of paid employment, at an estimated average cost of \$70,000. This is just the cost to gain a first tertiary qualification. Over the course of their lives, many people will face the need to retrain, upskill and change direction – perhaps several times.

Only a small minority of graduates move quickly into lucrative jobs. The fair way to deal with this “private benefit” is not to tax all students, rich and poor, but to increase income tax on the high-fliers. Yet this is precisely what the government rules out. The last Labour government talked of “fairness” but advocated fees for students and let the rich avoid paying their fair share in tax. Helen Clark’s administration is doing the same.

“So who does benefit?”

The real beneficiary of our education system is big business. Under capitalism, businesses need a large supply of highly skilled graduates. This is not just in traditional areas like engineering and science. Today even agriculture and tourism need young workers skilled in economics, environmental studies or languages.

The needs of industry have clearly been central to the restructuring of education under National. The foreword to their ill-fated 1998 *White Paper* noted again that employers were demanding “higher and more diverse skills and knowledge to support the creativity and enterprise upon which their success depends”.

Labour cloaks its tertiary policy in terms of “New Zealand’s needs”. But ultimately it’s only the needs of New Zealand business that count. Research into employers’ “likely demand for workforce skills and knowledge” will be conducted, says finance minister Michael Cullen, and used to guide development of the tertiary sector.

Education has increasingly been organised around the needs of business. Many campuses now have dedicated research facilities directly linked to major corporations. Courses that do not fit the drive to profit – like Russian Stud-

ies – are being dumped. Yet because of the continuing crisis of profitability within New Zealand capitalism, bosses want to get their new, skilled workers as cheaply as possible.

Government funding of universities has fallen from 97% of campus budgets in 1987 to around half of university income today. On the other hand, student contributions towards their course costs have risen from nothing to over 27%. This subsidy from students was one of the reasons National and Coalition governments were able to give away \$3 billion in tax cuts between 1996 and 1999. Around 70% of the money went to the top fifth of income earners.

User-pays shifts the cost of training away from business and the rich, who used to pay through taxes, apprenticeships and on-the-job training and onto their future employees.

In the end, “user-pays” amounts to making students pay instead of business, and results in blocking out of university and polytech those who cannot afford the cost of an education.

3. Capitalism and education

THE ROLE of tertiary institutions needs to be seen in relation to society as a whole. We live in a class society where production is dominated by the pursuit of profit. Those who manage the factories and offices must outdo each other in cut-throat competition.

In this competition they need specialists – scientists, engineers, technicians – who can deliver greater productivity and efficiency. They also need workers to create the wealth, and as technology develops those workers need better skills and education. Whereas the average worker 100 years ago had little education, today all workers are expected to be able to read, write and calculate. As new technology is introduced, workers have to be able to cope with the changes, and think about and administer new arrangements.

But those who control the means of production – the factories, mines and offices – also have an interest in ideas, especially those ideas that legitimise the kind of society they dominate. As Karl Marx put it last century, those who control the means of production also control the mental means of production.

So the role of universities and polytechs today is two-fold. On the one hand they produce the managers, professionals and skilled workers needed for production. On the other hand they are ideas factories, churning out research and theories. The domination of the capitalist class in society is reflected on the campus – ideas that justify the status quo dominate and research is subordinated to the needs of industry and profit.

So in place of meaningful critiques of history and society, we get the intellectually bankrupt fad of post-modernism and are told that Marxism is out of date and that “class” is an irrelevant concept. The handful of academics who do make radical criticisms of the system are taught to bury their arguments in impenetrable academic language.

The hold of ruling class ideas on the campus is only shaken in times of mass unrest off the campus. In the late 1960s and early 1970s, the huge upturn in workers’ struggles, the anti-Vietnam War movement and the rising struggle for Maori liberation sparked a brief interest in Marxist criticism among a minority of academics, especially young lecturers in junior positions.

Many aspects of capitalist production are reflected on the campus. The division of labour, where each task is broken down into its most elemental form, is mirrored in the division of study into arts, sciences, economics and the others. Science courses are taught as if the ideas are entirely separate from the society in which they are applied. Economics courses teach abstract models completely divorced from an understanding of history. The higher the level of study, the more specialised it becomes.

The inequality of society is also reproduced on campus. It affects who gets

in to start with. According to a Higher Education Research Office survey in 1987, children whose fathers were “professionals” made up 28% of the student population at Auckland University, even though these occupations were a mere 5% of the workforce. While “unskilled” workers made up 29% of the workforce, their children represented just 7% of the student body.

Once in tertiary study, the inequality continues. Most students are expected to study while living in poverty. Less than a quarter receive any support from the government. The fraction who get a “full” allowance receive \$120 a week. According to the vice-chancellors committee, 53% of university students worked during term time in 1998. Only 38% received any assistance from their parents.

Tertiary institutions have been turned into degree factories, with increasing class sizes, poor library facilities and course cuts as students are pushed through as quickly as possible. Yet at the same time those running the “factories” are doing very well. The vice-chancellor at Victoria University, for example, received a \$260,000-a-year basic salary package in 1999. The university also paid contributions for superannuation, a car and even fringe benefits. This is typical of the perks that vice-chancellors and senior administrators award themselves while the rest of us suffer.

Students and class

In 1939 there were just under 6,000 students. They were drawn from the upper echelons of society and most were destined for a position in ruling class circles. Today there are 103,000 students at university and 114,000 more enrolled at polytechs, colleges of education and wananga. Most of them will become some kind of worker.

Some students will go on to get well paid, highly skilled jobs. Most are likely to become technicians or clerical workers, employed in the middle echelons of the state apparatus or industry. Workers of this type, for example public servants or teachers, often receive lower wages than skilled manual workers and have been at the heart of burgeoning white-collar unionism over the past 20 years.

But although most students will end up as workers, this does not tell us about the nature of student life. Tertiary institutions are melting pots, where students from all sorts of backgrounds are thrown together. What unites this mix of people for three or four years is that they are in transition – between the class position of their family and whatever their future might bring. Students for the most part do not form part of the production process, of the economy – meaning students are not themselves a class.

Chris Harman, editor of the British *Socialist Worker*, identified that:

Students are defined socially by their transitional situation. The effect of the examination system is not to unite students into a cohesive group but to atomise them; each student's fate is settled by his or her individual

performance separated from that of all others. But they are an oppressed group... Although the discipline is less rigid than that at school, discussions about content of courses, appointments, price levels or anything else remains just as remote.

Students are patronised and oppressed. They are adults deprived of an independent income, forced back into the subordinate role of children within the family. They are deprived of any meaningful power on the campus. Yet at the same time, students are encouraged to discuss and debate the prevailing ideas in society, all the better to pass them on in later life as teachers, journalists, or public servants. The gap between the ideals students are taught and their own experiences can lead to debate, moral indignation and rebellion.

Despite the veneer of liberal democracy, tertiary institutions are under the control of the ruling class. Despite the veneer of apoliticism, the councils and boards collaborate with the military, tolerate sexism and racism, push fees, or consort with the heads of dictatorial regimes. This can lead to explosive protest movements challenging campus authority or government policies. Sometimes, as in France in May 1968 and in Indonesia in 1998, it can unleash social forces that challenge the power structures of the capitalist state.

This volatility makes it easier to draw students into action. While militant workers have to win a majority of their workmates before industrial action is possible, the atomised nature of student life means that a militant minority of students can launch campaigns in their own name. But this volatility and moral fervour has its downside, too. Student struggles can erupt in a bout of feverish activity but decline just as fast – up like a rocket but down like a stick.

That is why socialists on campus are always looking at how we can link student struggles to those of workers, the one group with the power to radically change society. Bosses rely on workers' labour to make profits. By striking, workers can beat employers or, if the strike is large enough as in France in late 1995, shake governments into submission. Ultimately, only workers have the power and the interest to take control of society through revolutionary change and get rid of the root of the problem, capitalism, altogether.

Students face many of the same problems as workers. Those with part-time jobs have directly experienced the effects of National's Employment Contracts Act – more hours with worse pay and conditions – most of which will persist under Labour's near-identical Employment Relations Bill. Many come not from school but from the dole queue and are well aware of the realities of life under the free market.

Not only will many students become workers, but a large number of workers have children at university or polytech and understand many of the problems students face. The idea that students are "privileged" has less and less resonance among working people. The struggles of students are part of the general bitterness that exists in society and can mesh with working class discontent.

The campus bosses

The introduction of user-pays into education has worsened the inequalities already present. In the process, the role of vice-chancellors and administrations has changed dramatically.

Vice-chancellors and polytech chief executives argue that they're just the "meat in the sandwich", forced to carry out government decisions. The truth is that they love the changes of the last ten years and will fight any move to roll them back.

The changes began in the wake of the *Hawke Report*, commissioned by the last Labour government in 1988. The report proposed "real devolution" in the tertiary sector. Management was handed over to university councils and polytech boards. Vice-chancellors and polytech principals were given sweeping new powers over budgets as "chief executives". Competition between tertiary institutions was encouraged, first for private sector sponsors and later for students. Labour set out to treat tertiary institutions like businesses subject to market forces. The vice-chancellors and polytech principals became the managers of these businesses.

The introduction of fees for overseas students had a profound effect on campus bosses, giving them a taste of how much money they could make. While state funding came with government guidelines, income from overseas students could be spent on whatever administrations liked. Greedy delegations from polytechs and universities toured Asia, each touting the merits of their institution and carving out a niche in the new market. In 1990, the first year of full fees for overseas students, they raked in \$50 million.

As tertiary administrators fell in love with the market, the view of students as "revenue generating units" was quickly applied to New Zealand students as well. When Otago's vice-chancellor Graeme Fogelberg tabled his *Strategic Plan to the Year 2000* in 1996, the goal was "a cultural change towards a market-oriented university". And when Victoria University's Working Party on Governance reported back to the Council in 1996, their recommendation was "an increased or wholly 'for-profit' orientation for the university". They even called on the Crown to privatise it.

While students and staff are feeling the sting of education restructuring, those running the universities are lining their pockets. Students at Auckland University were hit with a 16% fee rise in 1997. At the same time, spending on management salaries more than doubled from \$1 million in 1996 to \$2.3 million. In 1996, Waikato vice-chancellor Bryan Gould got \$174,000 from the university to renovate his house, which is also provided free as part of his position, on top of a \$140,000 salary, a superannuation package and a car.

The election of a Labour-led government has made precious little difference. In November 1999, Victoria students were stung with yet another fee increase. Fees rose by 15% for the year 2000. The previous council meeting had approved a neat \$2.5 million for vice-chancellor Michael Irving's own departmental budget and another \$2.5 million for him to spend on "consult-

ants". When Irving decided to retire a few weeks later, he walked away with a \$300,000 golden handshake just like any other corporate executive. Education minister Trevor Mallard stood by and wrung his hands.

More is spent on advertising, marketing the institution as a product or investment. In 1996, Otago spent \$1 million on marketing. The cost of Massey's extravagant "Intelligent Life" campaign was \$1.5 million. In the last week of July, 1999, Massey's outlay on TV advertising put it in the top 20 biggest spenders in the country, along with Telecom, McDonalds and KFC.

University vice-chancellors nowadays are managing growing business empires as a wave of mergers starts to create education mega-corporations. In 1999, Massey University took over the Wellington Polytechnic, renaming it the Massey University of Design, Fine Arts and Music. It was the fourth addition to the Massey stable, following the Albany campus, the Palmerston North College of Education and the Auckland College of Education. Spending on advertising rose with the move into Wellington as Massey came into direct competition with Victoria University.

Waikato University controls the Hamilton College of Education. In 1998, a takeover of Bay of Plenty Polytech created the Tauranga University College subsidiary. The Tertiary Alliance group of companies links Waikato and five regional polytechs, while a merger with Timaru's Aoraki Polytech is scheduled for 2001. Waikato managers are also planning expansion into the lucrative Auckland market with a Manukau campus within two years.

The outlook of campus bosses who control these growing empires is the same as any corporate executive. "In a competitive marketplace," said Massey's deputy vice-chancellor, "you either find a position of strength or you die". Labour say they do not want tertiary institutions to act as competitors. But they are keeping the "EFTS" system, where institutions are funded according to how many students they can enrol, which drives the competition.

Many of the campus bosses choose to spend their funds on the stock market. In 1998, Lincoln University was ranked by the *National Business Review* as one of the "top 40 investors in small listed companies". Lincoln, the smallest university, was only singled out for media attention because its investments went bad. At Auckland University, the council manages assets worth more than \$600 million.

Today, the role of campus bosses as champions of big business and the market is clearer than ever. Auckland's vice-chancellor, John Hood, is a former director of Fletcher Challenge and member of the Business Roundtable. Alongside him on council sits Roundtable founder Harold Titter and justice Elias, the wife of corporate heavyweight Hugh Fletcher. Otago's new chancellor, Eion Edgar, is the chair of the New Zealand Stock Exchange. The Victoria University Council boasts among its members the Business Roundtable's executive director, Roger Kerr.

All of today's vice-chancellors were appointed since 1994. Those not drawn directly from the Roundtable's fold are converts to the Roundtable vision

anyway. When Otago students occupied the registry in 1996, for instance, they found Fogelberg's bookcase crammed end to end with Business Roundtable publications.

The response of campus administrators to National's 1998 *White Paper* reflected their class interests as bosses. Polytech chief executives embraced it while the vice-chancellors committee came out against. But the vice-chancellors' opposition did not stem from concern for students who would have been forced to pay more. The chair of the committee, Waikato's Bryan Gould, stated: "Our objection is not that we are unwilling to regard students as customers. We do that already and will do so increasingly."

Their objection was based on the same commercial imperatives that drive any company. National's *White Paper* proposed a "capital charge" that would have eaten into their balance sheets. What's worse, from a commercial point of view, is that some of this levy would have been paid out to their competitors – the polytechs and colleges of education.

The vice-chancellors' response to the loan scheme shows the same ruling class logic. Their key recommendation to the Education and Science Select Committee in 1999 was that students should not be charged interest while studying. Their reason was that charging interest deters students from staying on at university. It was left unstated, but they clearly believe scrapping interest will boost their revenue from fees. The vice-chancellors' submissions said that they found it acceptable for government funding and fees to stay at current levels.

Campus bosses are not the "meat in the sandwich". University students staged big occupations at Otago, Massey and Auckland in 1996 and at Canterbury in 1999 to protest the National government's policies. And at all four campuses, the vice-chancellor sided with the government and big business by setting the cops on them.

The changing university

When universities were set up, only the ruling and upper middle classes sent their children there. At the turn of the century, a mere 0.4% of the New Zealand population attended university. The function of universities was to recreate the social order of the "Mother Country" in Britain. Curricula were based on the classical course of study – Latin, Greek and mathematics. Students were overwhelmingly drawn from the elite and destined for the elite.

All this changed in the years after World War Two. Secondary education was more widely available and from the 1950s a massive expansion in higher education took place. The total number of university enrolments in 1955 was 10,000. In the space of five years it had risen nearly 50% to reach 14,547. In the 1960s, the growth of the universities exploded. Between 1960 and 1970, the number of universities increased from four to six, student numbers more than doubled and university funding quadrupled in real terms.

The expansion of the polytechs was even more dramatic. The opening of

the Central Institute of Technology in 1960 marked the birth of polytechs as tertiary institutions. By 1973, the number of polytechs had grown to 11.

The reason for this expansion was because New Zealand capitalism needed to compete in the world market. The economy was booming. The downturns were brief and shallow and the recoveries strong. For 30 years from 1945 to 1974, the economy averaged nearly 5% growth a year.

The demand for more and better skilled labour was intense. The ruling class needed more professionals – teachers, social workers, public servants and managers – both in order to maintain ideological control over its workforce and to train and care for the next generation of workers. And the development of technology required more skilled technicians to develop and maintain new equipment.

The massive expansion of the university sector was guided by the 1959 *Parry Report*. By today's standards, the report was remarkably frank about whose interests universities should serve. They weren't the interests of students. Universities, it said, should serve the needs "of several professions, of many sections of industry and commerce, of educational institutions and of the public services [government departments]".

Rather than provide a "classical education", universities should instead prepare graduates to seek "more varied and profitable uses for the expanding output of existing industries... translate the ideas developed through research into the production of saleable goods; and... [undertake] the efficient management of enterprises which will grow in scale and complexity". More managers, said the report, were a top priority.

The expansion and transformation of tertiary education in the post-war years happened all around the globe as each nation tried to out-compete each other economically and militarily. Russia being first to put a man into space during the Cold War led to the building of science blocks in most secondary schools. In Western Europe, university enrolments increased from 739,000 just after the war to 1.7 million in 1968. In Japan they jumped from 384,000 to 1.5 million. In the UK, numbers quadrupled.

But the expansion of tertiary education required by New Zealand capitalism since the 1950s didn't only change the institutions. The student body was also transformed. The demand for graduates meant that universities could no longer be the preserve of children of the ruling and middle classes, even though they remained the campus elite. Tens of thousands of students from working class backgrounds, destined to a life of exploitation, were drawn together and encouraged to debate ideas. At the same time, being deprived of power and income and being squeezed into poor housing and overcrowded facilities fuelled their discontent.

In 1932, when the desperation created by the Great Depression drove thousands of unemployed workers to riot, hundreds of well-to-do Auckland students signed up as "special constables". Armed with batons, they hunted down protest organisers and patrolled Queen St and K' Rd to protect shop-keepers' property.

But since the 1960s, it's the students who've been protesting.

A common fallacy, used to discredit student protesters today, is that students in the 1960s and 1970s were more "political" and "altruistic" because they were protesting over moral issues like the Vietnam War. In fact, they fought to defend their own interests on the campus and in the education system just as students do today. In 1971, 2,000 students occupied at Otago against draconian university discipline regulations. In 1972, Victoria students threatened to do the same to stop library hours being cut.

Workers in New Zealand have fought the bosses for a free public education system for over a century. Masses of unemployed workers on the street were the driving force that brought the first Labour government to power and pressed them to make reforms, including free education.

But as higher education has changed to meet the evolving needs of New Zealand bosses, a new agent to resist them has been created – a mass of students, oppressed and without a stake in the system.

The 1990s

As the crisis of capitalism deepened from the 1970s through the 1980s, the bosses stepped up their drive to mould higher education to their design. In the last ten years, they've done this through a two-pronged strategy of cost-cutting and closer direct links with tertiary institutions.

Capitalist crisis or no, big business in the 1990s still needed an educated workforce to compete in the global market. But as their profitability languished through most of the decade, they demanded it ever more cheaply. This has seen students burdened with an ever rising proportion of their education costs. It has also seen rapid development of the polytechnics.

Polytech staff do more teaching for less pay than university staff. Auckland deputy vice-chancellor Alistair MacCormick estimates that the average polytech lecturer teaches 20 hours a week – twice the teaching hours of the average university lecturer. A polytech's research spending is just a fraction of what's spent at a university. As a result, polytechs produce graduates at a cheaper "unit price" than universities.

In 1991, polytechs were given the right to confer degrees. Since then, over 100 polytech degree courses have been established. By the end of the decade around a quarter of undergraduate degrees were being conferred through a polytech. In 1999, AIT was the first polytech to have its status upgraded, becoming the Auckland University of Technology. The promotion of the polytechs has the added bonus for the bosses that their workers are well trained without developing the ability to critically debate ideas to the same extent as university students.

While first year university enrolments fell steadily after 1992, the number of polytech students grew from 70,000 to over 104,000 in 1999. But polytech students themselves didn't benefit from this expansion. Alongside rising rolls,

fees rose even more. The growth of the polytechs is real, but it's been funded out of the pockets of students.

Labour plans to continue their development as servants of business. Before the election, tertiary education spokesperson Steve Maharey told a conference of polytech managers: "We will be looking for a very innovative approach from polytechnics to the challenge of delivering life-long learning to industry."

The second major strategy for moulding education to the bosses' design over the last decade has been increased links between companies and individual campuses. This hasn't happened through a business "invasion". Corporations have been wooed every step of the way by the campus bosses.

In 1997, Auckland University bosses launched a private fund-raising appeal. BellSouth fronted up with \$1.75 million, and the council created the "BellSouth Centre for Research in Network Economics and Communications". In return for a "donation" from corporate law firm Bell Gully, Law Faculty heads created the "Bell Gully Computer Laboratory". As from 2000, all law students will be required to use it. Naming rights to lecture theatres, libraries, and courses are up for sale if the right company comes up with the right offer.

But the entry of big business onto the campuses is doing more than turning buildings into advertising billboards. Auckland vice-chancellor Kit Carson assured corporations that in return for their "donation", the university would provide the "quality graduates" they wanted. Like other universities, Auckland is re-writing its course prescriptions according to the express wishes of big business.

The increased links with major corporations is seeing a growing trend for tertiary institutions to hire out their researchers to the private sector. Work done by Otago University lecturers for outside companies in 1997 earned \$35 million for the campus bosses. The companies got a windfall as the university effectively became their publicly funded research department. Students got no benefit at all. In 1997, the university chalked up an all-up profit of more than \$10 million. By the year's end, it had \$20 million sitting in the bank – but still the council raised fees. The "reward" for the workers who created this wealth was job cuts as the council closed three departments and sacked lecturers in a fourth.

Not content with this, a new \$6.25 million "Centre for Innovation" is being built on the campus. Touted as a "partnership between university staff and the corporate world", it will provide purpose-built, staffed laboratories where academics labour away at research for private companies.

When it opens in December 2000, Otago will be the fourth institution with dedicated research facilities for the private sector. Victoria University's "commercial arm", VictoriaLink, was first to set up a "business incubator". Directors at Auckland's Unitec are spending \$1.25 million worth of public money and student fees on an "enterprise development centre". And another one is going up at Massey's Albany campus.

At Auckland University, Fletcher Challenge sponsors the School of Engi-

neering. The school's management arrange for Engineering lecturers do consulting work for Fletchers over university holidays. Air New Zealand laughed all the way to the bank after lecturers and postgraduate students developed software for scheduling its flight crews more cost-effectively. Auckland's campus bosses pocketed \$8 million for their trouble.

In 1999, vice-chancellor John Hood boasted that the university's "commercial arm", UniServices, had signed 980 new research contracts the previous year, most of them with big companies. These netted a cool \$53 million. The university made a \$10 million profit for the year, and still the council raised fees. Hood wants to go even further. "What we are trying to do at the university", he said, "is to open the gates up, build more dynamic links between world-class research and the innovative needs and research needs of New Zealand's industries." Hood was voicing the central thrust of Labour's research policy.

Tertiary institutions nowadays are making their facilities available to almost any agent of the ruling class. In 1998, management at Auckland University gave the army's most brutal thugs, the SAS, the run of the campus so they could train how to smash anti-APEC protests.

Today, courses which do not directly serve to boost business profits are being cut. University Arts and Humanities courses are going the same way as the lessons in Greek and Latin which were once the backbone of a university education. Otago University managers led the way, closing six Arts departments since 1995. In 1999, Waikato University bosses followed suit and axed the Women's Studies department. Victoria cut 25 jobs in Arts.

Auckland University has been scrapping tutorials for Arts courses since 1998. The budget pushed through by the vice-chancellor at the end of 1999 contained a whopping \$3.8 million cut for the Arts Faculty. It's widely believed that the Pacific Studies Centre will be the first casualty.

Academic freedom

The growing wave of redundancies of academic staff over the last four years means that tenure, the system of job-security for lecturers, is effectively gone. Along with increasingly visible links between corporations and tertiary institutions, this has raised fears over academic freedom.

In 1998, academic freedom became the number one issue for staff on university campuses. Business Roundtable executive director Roger Kerr and prominent academic Jane Kelsey debated academic freedom through the media and at public meetings around the country.

In public, Kerr claimed that academic freedom was perfectly safe in the hands of the market. Yet just months later, Victoria academic and environmentalist Cath Wallace published criticisms of a Roundtable-sponsored book on conservation. Kerr, in his capacity as Victoria University councillor, summoned her to provide copies of her CV to justify her appointment.

The undermining of tenure is choking the freedom of expression that existed on the campuses. Any worker needs job security before they're free to speak

their mind without fear. But even before 1998, academics were not truly free to teach what they think. Academics could always teach only those courses that the managers agreed to fund.

In the early 1990s, that meant attracting sufficient students to sign up for it. But as in other areas, the campus bosses are working hand in hand with their private sector counterparts to undermine academic freedom. Increasingly, they're insisting that a course must attract more than just "sufficient" students before it's allowed to go ahead. They're demanding that courses run at a profit. The Otago vice-chancellor closed down the departments of Russian Studies, French and German in 1996 because, according to his own figures, the Humanities Division just failed to break even. It made a loss of just \$100,000 out of an overall university budget of \$100 million.

The lack of academic freedom has roots that go all the way to the bedrock of the capitalist system. As "more market" reforms have increasingly burdened students with crippling debt, their decisions about their course of study have been driven by the job prospects at the end of it. And the same bosses who are demanding that students go into debt are also the employers who dominate the labour market. In the class struggle with workers, these bosses fight to determine what jobs are created and what pay rates go with them. They control what ideas are taught at universities by determining what qualifications students need if they want to get a job. The dominance of big business over academia is underpinned by their dominance in the labour market. Because of this, there can be no real academic freedom under capitalism.

The notion that universities are the "critic and conscience of society" is false. Now more than ever, the task of all tertiary institutions is to produce as many skilled workers to the exact specifications of employers as cheaply as possible.

Capitalism, "nation-building" and the "knowledge economy"

"The concept of the knowledge economy", announced Labour finance spokesperson Michael Cullen in March 1999, "will be the integrating element in the New Zealand Economic Strategy which an incoming Labour government will produce within six months of attaining office." Labour's plans for tertiary education are part of this overall strategy.

The term is new, but the concept of the knowledge economy is a continuation of all that's gone before. For the latter half of the twentieth century, competition has constantly driven New Zealand firms to invest in technology to boost productivity and steal a march on their overseas rivals. Successive waves of education reform from government have been designed to equip the workforce with the new skills required by employers.

The term "knowledge economy" sums up Labour's view that New Zealand companies are now badly in need of another technology upgrade. Labour aims to foster the development of new high-technology industries so New Zealand bosses can grab a share of the growing global market for high-tech products.

And even more, they aim to increase the use of new technology to boost productivity in existing industries.

To achieve this, Labour must carry on with the restructuring of tertiary education. Their plan has two main components. Firstly, more research is clearly needed if New Zealand companies are to develop and market high-tech products or lift their application of new technologies. In an age of capitalist crisis, the private sector will not invest the sums required to build the facilities or employ the researchers. So Labour plans to make university research facilities even more available to the private sector.

Both students and staff will be put to work. The Graduate Research in Industry Fund, which puts postgraduate students at the disposal of the private sector while they're still studying, will be expanded. A "Co-operative Education Programme" will be piloted, where full-time undergraduate students will be given "work experience" as part of their course. By their third year in government, Labour's Tertiary Education Advisory Commission will be giving out an extra \$30 million in research funding. A further \$17 million a year will go to a research fund for small business.

The second part of Labour's plan for tertiary education is to tailor the mix of graduates to meet the growing needs of employers for workers skilled in high-tech fields. The range of courses offered by tertiary institutions will be "rationalised" across the country. While Labour pays lip service to Arts and Humanities, courses like these that don't directly serve profit-making today may disappear entirely from some campuses.

While still in opposition, tertiary spokesperson Steve Maharey was considering re-moulding some of the existing institutions into "institutes of technology, research universities or a university of industry". Even the extra \$220 million promised to lower fees won't be channelled according to student needs but to "increase enrolments in sciences, engineering, technical and technological subjects".

Labour and the Alliance have ditched National's praise of the free market. They are reviving the notion of government intervention. As yet, this is still intervention on a very small scale. Labour, says Cullen, "remains committed to the open economy we created". But many students and staff see it as at least a step in the right direction.

The key question, however, is not "state intervention or free market?". It is "who is demanding this intervention?" or "who is it for?". Is it a section of the working class or big business?

Representatives from global hi-tech giant Motorola, seeking to build a new research facility in New Zealand, met with tertiary minister Max Bradford in 1998 and 1999. They asked for government intervention to ensure the supply of graduates they needed. National signalled a more "hands-on" role for central government in tertiary education with its *Five Steps Ahead* policy. The Employers and Manufacturers Association applauded. By 1999, even Treasury recognised that market forces in education were producing too many gradu-

ates in law and accounting and not enough of the scientists, technicians and engineers that business needs.

This Labour-led government will not be intervening in the economy to redistribute wealth downwards or restrict profit-making, as past Labour governments have when pushed from below. They will be intervening to lift the profits of New Zealand companies as a whole. They want “co-operation” between tertiary institutions to replace competition. Universities and polytechs won’t be co-operating on solving social problems, however, but so they can better serve big business.

Labour have labelled their strategy “nation-building”, claiming that all sections of New Zealand society will benefit. The Alliance have signed up to the same general idea.

Cullen claims workers will benefit from the knowledge economy because “skilled people fill skilled jobs. They are, therefore, better paid”. Students will supposedly see a benefit over time as technology upgrades in New Zealand businesses provide strong growth to fund fee reductions.

But higher skill levels in the workforce do not mean more skilled jobs, and they affect pay rates very little. What determines the number of jobs and the wages they pay are the state of the economy, the strength of the trade union movement and workers’ confidence to fight.

And fostering high technology will do nothing to overcome capitalism’s endemic crisis. At best, it will have a marginal effect on economic growth. Labour have already shown that better growth figures don’t lead them to cut fees anyway. As Cullen announced in December 1999, “insofar as they are slightly better it is not money that ought to be spent”.

Labour’s concept of the “knowledge economy” is simply National’s old “trickle-down theory” re-packaged. Helping the rich did not lead to the promised affluence for all under National. Helping New Zealand businesses go high-tech won’t under Labour.

The Labour-led government offers no real alternative to National’s vision. Labour’s plan is a recipe for real wages to continue falling as they did under National. Students will continue to pay for an education designed to benefit business, in order to better serve business when they graduate.

But Labour has opened the door a crack on government intervention. It will now seem all the more reasonable to large numbers of students and staff that the government should intervene for them – especially if the Alliance continues to push its slightly different ideas on intervention.

The 1990s witnessed the greatest and most militant student resistance ever seen in New Zealand. There is now the possibility to build it further and create a real force for free education – if the lessons of the last ten years are learnt.

4. Students fight back

STUDENTS HAVE not passively accepted the successive waves of tertiary reform. From the outset, they have organised resistance. Two years of protests by students and teachers in 1979 and 1980 forced the National government of Robert Muldoon to drop the 3% education cut announced in the 1979 Budget. The marches grew to 11,000 strong. They were the biggest education protests since the 1930s.

Student unease about user-pays education grew in 1987 and 1988. In the lead-up to the 1987 election, the idea was publicly floated by individual MPs from National and Labour. In 1988, student protest revived from the low level of the mid-1980s. When the Labour government released the *Hawke Report* proposing user-pays education in late 1988, the anger on the campuses was palpable.

1989 – The birth of the Education Campaign

In March 1989, the New Zealand University Students Association (NZUSA) president and vice-president toured the country speaking to packed student meetings. Together with the Aotearoa Polytechnic Students Union (APSU), they flooded the universities with thousands of leaflets and newsletters countering the lies of the Labour government point by point and calling on students to march. Their demand was for Labour to raise taxes on the rich to keep tertiary education free. A Week of Action was planned for July under the slogan: “Keep chequebook education out.”

The July protests were the biggest student demonstrations ever seen in New Zealand. Across the country, more than 20,000 – a third of the total student population – took the streets.

In Dunedin, more than 5,000 students from the university, teachers college and polytech occupied the Exchange. OUSA president Simon Rudd told them: “The government can no longer say that students associations don’t have the support of their members.” In Christchurch, 7,000 students brought the city centre to a standstill. The *Press*, not known for its support of student protests, reported: “More remarkable than the numbers... was the lack of the usual heckling from bystanders; the mood of shoppers was one of quiet support.”

Associate education minister Phil Goff was forced to announce that Labour’s loans scheme, which was to be administered by the banks, was in trouble. Student leaders showed they could mobilise thousands of students against the government and warned that any banks participating in the scheme would get similar treatment. In September, a bitter Phil Goff complained: “Explicit threats to disrupt and sabotage the operations of the banks that participated in the scheme were a strong factor in preventing agreement being reached.”

At the end of 1989, students had the government on the back foot. How

did a campaign with so much potential fail to capitalise on the obvious anger of students?

A crucial factor was the politics of the campaign. From the outset, NZUSA and APSU had sought an alliance between students and campus bosses. The May issue of NZUSA's campaign newsletter stated: "The vice-chancellors were faced with the choice of accepting user-pays and the tempting additional revenue it would bring or taking the moral high ground."

"To the credit of the vice-chancellors", declared NZUSA, "they resisted the temptation". The belief that the vice-chancellors were on our side guided NZUSA's next step. They called for a fees boycott. Students were told not to pay their fees and reassured that the vice-chancellors were "sympathetic" and would not kick them out of their courses.

NZUSA was wrong and the mistake was costly. Letters from the vice-chancellor advising students that they'd be disenrolled if they didn't pay up started to arrive. As individuals, the students boycotting fees were vulnerable and under pressure. But student leaders, from NZUSA down to local student executives, had painted the campus bosses as their allies as they mobilised students against the government. They were now confused and unable to organise mass action against the vice-chancellors which could have given the individual boycotters the backing they needed to win. The fees boycott collapsed. It seemed to many who'd been led by NZUSA that nothing more could be done and the protests fell away.

1996 – Otago occupation shows the way

Student protest revived after 1990 as new attacks from National generated new anger. By 1994, protests against the *Todd Report* had almost reached the size of those in 1989. But in 1996, the Education Campaign advanced to an entirely new level.

There had been student occupations in New Zealand before. In the early seventies, students had occupied a number of universities. Maori students fighting for a marae on the Auckland University campus occupied in 1983 and students at Canterbury and Lincoln had taken over their administration buildings in 1993. But there had been nothing like the nationwide explosion of student anger that erupted in the second semester of 1996.

Lincoln students were the first. In July, they staged a 24-hour occupation of their registry. But the match that ignited the campuses nationwide was lit at Otago University. Council fees-setting meetings are traditional targets for student protests. But the Otago University Council had worked itself into such a feeding frenzy that the 1996 meeting was to consider options from the Working Party on Fees ranging from a 25% increase upwards.

On Tuesday August 13, the day of the scheduled council meeting, 500 Otago students stormed their registry building. Their demand is a nil fee increase for 1997. The next morning sees them still in the building and pickets stop the few managers who try to get into their offices. The authorities send the clerical

workers home and students control the building.

During the occupation, general meetings open to all students are held to discuss every aspect of the campaign at least once a day. The debate often goes on for hours, but students feel for the first time that they have a real say. The occupiers know that holding the registry will take hundreds of students. Rosters are drawn up for occupiers to speak at lectures and at the hostels calling on more students to join them. They create occupation rotas so they can take turns to go home for rest.

On Wednesday night, as chance would have it, Alliance leader Jim Ander-ton is scheduled to speak at a local New Labour Party branch meeting. The occupiers invite him to come to the registry afterwards. The media storm that erupts on Thursday after chancellor Judith Medlicott issues a trespass notice against him amazes everyone.

But even more importantly, Medlicott's move outrages academic staff already bearing grievances over their wage claim and inspired by the militant student action. The lecturers' union calls an impromptu stop-work meeting on Friday morning. The meeting fills a 350-seat lecture theatre. A student delegation is sent to address the staff. The meeting unanimously passes a resolution of support for the students and no confidence in the chancellor and vice-chancellor. They demand that Medlicott drop the trespass order. That afternoon, she does. By Friday night the university authorities have lost control. They plead with the occupiers to take over weekend security patrols to ensure safety on the campus. Then they contact the police to discuss how to re-establish their authority. When the chancellor and vice-chancellor turn up to a meeting in the registry on Sunday night, they're staggered as 500 students are there to meet them.

But facing imminent eviction by the cops, students vote on Monday to end their occupation. They did not achieve a nil fee increase. But they did achieve concessions. The fee rise passed afterwards by the council was 17%. 15,000 students had been saved upwards of \$150 each. But perhaps more important was the staff-student solidarity which had been built. The lecturers' union had donated money to the occupation. And in a first for Otago University, 400 lecturers marched to the registry on the final day of the occupation to show support for the students.

The inspiring struggle at Otago sparked a wave of campus occupations which delivered similar gains. At Auckland, a week-long occupation forced the fee rise for 1997 down from 24% to 15.8%. Lecturers signed their support for the action on a petition. A day after Massey students occupying the registry were evicted by police, they re-occupied. Their action forced the 1997 fee rise down from 21% to 16%. Students also occupied at Victoria, Northland Polytech and the Auckland College of Education. National was forced to reverse its long-held policy of "targeting" for student allowances and promised to "work towards a universal system of living allowances for tertiary students". Only the waning of militant action allowed the government to welsh on the deal.

The Otago occupation is packed with lessons for students today. Using commandeered computers and photocopiers in the registry, the occupiers produced and distributed thousands of their own bulletins. The bulletins were designed to counter media lies, keep the wider student body informed and involved in the action and build support.

The first one also explained “Why our action can work”:

The council say they are sympathetic about fee increases. We want them to put their money where their mouths are. If the university does not increase fees as is the plan, they will have to borrow to continue operating... The government will bail the university out as it will be too embarrassing for them to have a university go bankrupt. They will then have to increase funding so the university doesn't go into debt again. The government can afford to bail the university out. It is making tax cuts, it has excess money.

Otago students refused to accept lower fees if this meant cuts for staff or facilities. They demanded a nil fee increase funded through cuts to management salaries or borrowing. “We have to borrow”, they said. “Why shouldn’t they?” And they were right about the pressure this would put on central government for more university funding. In the preceding 12 months, the government had stepped in to bail out three polytechs that borrowed money after going over budget.

The Otago occupation didn’t come from nowhere. Students belonging to the Socialist Workers Organisation and its forerunner had been patiently arguing for an occupation at Otago since 1993. The leading role of the SWO in the Otago occupation was acknowledged by chancellor Judith Medlicott when she complained to the *Dominion* newspaper that her students had been “manipulated by the Trots”. But there was no manipulation. SWO members announced themselves openly at all meetings. They spoke their arguments frankly in democratic debate. Two of them were elected to the six-member organising committee by a mass meeting of over 100 students.

The OUSA president was not among the leaders elected by the occupation. His daily visits to the registry were to bring new arguments about why the occupation should end. In a moment of candour, he expressed perfectly the conflicts of his position. It was all very well for ordinary students to take this action against the managers, he said, but as student president “I have to work with [chancellor] Judith and [vice-chancellor] Graeme for the rest of this year.”

The student victories of 1996 met with a swift response. Auckland’s campus bosses relocated their finance registry to the ninth floor of an office block downtown. The registry building on campus was turned into a fortress with bars on the windows and swipe-card security locks on the doors. The Otago vice-chancellor pushed harsh new discipline regulations and threatened student

protesters with expulsion.

On many campuses, established student leaders played a smaller role in leading the 1996 actions than in 1989, but their conservative influence was still felt. In March 1996, NZUSA had launched PTEC, the Public Tertiary Education Coalition, which sought to ally students and the lecturers' union with the Vice-Chancellors Committee. The AUSA executive likewise called off the Auckland occupation in order to work alongside the vice-chancellor on a "cost-cutting" committee. But the biggest factor in putting down the rising movement was the heavy hand of the police.

At the Wellington protest against National's *Green Paper* in September 1997 there were a record 74 arrests. In Auckland, scores of cops with riot gear ringed the registry building. The Socialist Workers Organisation plastered the campus with posters saying: "Bigger numbers can beat them". But while numbers grew from 500 at the first protest to 1,500 at the second a week later and then 3,000 a week after that, AUSA organisers refused to lead the protest to the registry and confront the police.

1999 - Revival

The downturn in struggle during 1998 and early 1999 led many student activists to complain that their peers were "apathetic". Editorials appeared in student newspapers reviving Labour's myth of the mid-1980s that students were all well-off nowadays. Students today, they explained, just will not fight.

The fall-off in protests allowed Labour to scale back even their modest promises. Their 1996 election pledge to cap fees at \$1,000 and match loan repayments dollar for dollar was dropped. A string of Labour press releases through early 1999 claimed that interest on student loans was now the "major issue" facing students. The vice-chancellor's committee supported Labour's back-tracking. The AUS staff union, however, continued its support for "reinstating the principle of free education".

Students themselves were unimpressed. On the whole, they were no better off than three years earlier and the anger was still there, just beneath the surface. Understanding this, the Socialist Workers Organisation continued to campaign for nationwide occupations for free education. Their role was to be even more central to the revival of struggle in 1999 than before.

Socialist students at Auckland University began raising the idea of nationwide campus occupations from the start of the year. Posters were put up and a petition backing joint nationwide occupations attracted around 200 signatures. In May, the SWO won a vote of support for the idea at a weekly meeting of the Student Representative Council of the students' association. A candidate running for AUSA education vice-president on a "Socialist Worker" ticket three months later used the electioneering process to win more support. He won a quarter of the total votes cast.

As support for the idea continued to grow, SWO members and supporters began distributing thousands of leaflets around lecture theatres in the early

morning. On 23 August, the *Socialist Worker* newspaper reported: “There is a polarisation going on under the surface of apparent apathy.” Three weeks later, to the surprise of almost everyone else, the first explosion of anger was heard at Canterbury.

Like their Auckland comrades, students in the SWO in Christchurch had been building the campaign. They had poster and petitioned. Their resolution “that UCSA immediately links up with other student associations to organise joint nationwide occupations against fees and debt” was passed at the AGM of their students’ association in July. It was clear, however, that the UCSA executive was unwilling to act on it. The driving force would have to come from below.

On September 15, two SWO students addressed an on-campus student rally against fees and debt. Pro vice-chancellor Phil Butler had let it slip that the university was considering fee rises for the year 2000 of up to 45%. Students in Chemistry, Physics and Engineering were facing an increase of nearly \$2,000.

The two speakers called for an immediate occupation of the registry. 50 students marched into the building. With such small numbers, the occupiers decided to limit their occupation to 51 hours, symbolising the 51 years that was the average length of time it would take a female student to repay a \$20,000 loan. This allowed the financial heart of the institution to keep operating. But in return, they secured a promise they would not be evicted.

By using the registry as a highly visible campaign base, the occupiers were able to raise awareness of the fee rise and how to fight it in spectacular fashion. They took the message out to the wider student body with petitions and leaflets and met with overwhelming support. The petition backing the occupation and a zero fee rise gathered 3,000 signatures in three days.

Learning lessons from the 1996 Otago occupation, their press release stated:

We demand no fee rises. The \$12 million shortfall projected for next year is theoretical and not fact. The university could absorb this and go into debt. As a public institution, the government would be forced to bail the institution out.

In fact, Upper Hutt’s Central Institute of Technology had done just this. In 1996 and 1997 they held back fee rises and ran deficits of \$1.5 million and \$1.1 million.

Over the 51 hours, several hundred students participated in the occupation, many of them completely new to protest activity. Dozens became committed activists literally overnight.

When they marched out at the agreed time, their warning chant to the campus bosses was: “pick up the slack or we’ll be back!”. The new core of activists then set about building for the next action. A second occupation was planned for Tuesday, October 5 – the day before the council’s fee-setting meeting.

At lunch-time on October 5, masses of students begin to rally outside the registry building. By 1.30pm, reporter from the *Christchurch Press* puts the number at 3,000. A leaflet circulated at the rally explains again that the university should borrow instead of raising fees:

But [vice-chancellor Darryl] Le Grew & Co. will never willingly risk their jobs by taking such a stand. Like the bosses of any big organisation, their privileged position depends on their 'successful' management of the institution... even if it means pay cuts for staff or forcing students deeper into debt. To stop the fee rise, we have to put real pressure on the council. The best way to do that is an occupation.

When the call goes out, over 1,000 students storm the registry. Defiant chants of "Let us in!" ring out. They kick down a door and surge in through the windows. In a fantastic show of solidarity, the staff AUS union circulates an urgent memo explaining to lecturers that numbers are needed to beat back any eviction. The memo asks lecturers to send their students to defend the registry. For the night of October 5, the university registry is under the collective, democratic control of 350 students.

When morning arrives, the occupiers form up in picket lines to stop management and clerical staff from entering the building. This action shuts down the university's financial operations. Through the day, most students guard the doors while some tour lecture theatres spreading the news. When council meets that afternoon, Le Grew announces a backdown. He proposes lower fee rises ranging from 6% to 31%. 12,000 students are saved up to \$800 each.

The occupiers, however, stick to their demand for a zero fee rise. On Thursday morning, negotiations with management break down. Believing the police have been called, the occupiers prepare again to resist eviction. The call goes out for support. They cheer and chant as columns of up to 100 students march from their classes to join the mass pickets. Many staff members join them. The police never arrive.

Defusing such a mass movement at Canterbury should not have been easy for the bosses. On the first day, Le Grew had called the police to evict the student occupiers. But when the police turned up, they said the numbers were too big and left.

It took a group of occupiers around the president-elect of UCSA to do the job for him. Despite the fact that two days of occupation had just delivered the biggest single win for students in a decade, they argued that students should now take their cause through "official" channels rather than continuing the mass action. They proposed a compromise with management to push the issue into the Parliamentary arena. They said the occupation should end if Le Grew agreed to organise a national tri-partite forum of students, staff and management to lobby political parties in the run-up to the election.

After two hours of negotiations, management agreed and offered more

concessions. Having already cut back fee rises for 2000, Le Grew now promised a zero fee rise for the 2001 year as well.

In just two days, the mass radicalisation of Canterbury students could only go so far. And the group of socialist students was too small to carry the arguments against the tri-partite forum to still largely inexperienced students. A majority of occupiers were swayed to accept the compromise. On Thursday afternoon, just hours after hundreds had rallied to their defence, they voted to leave.

The decline of the mass movement would again lead student executives to promote alliances with the bosses. The 1999 UCSA president announced: “Students commend the vice-chancellor for committing to this action.” The Otago student president went further. “University councils, students and staff from around the country”, he said “have been unanimous.” In the event, only one of the vice-chancellors invited to Le Grew’s national forum bothered to turn up.

But the occupation at Canterbury had also inspired actions on other campuses. A day into the Canterbury occupation, students at Victoria University stormed their registry, announcing their solidarity with striking lecturers. The following Tuesday, Auckland students occupied. Like the students at Canterbury, they too met with overwhelming support. A total of over 5,000 Auckland students eventually signed a petition supporting the occupation and its demands. Students at Massey Albany and Waikato University staged protests.

The actions further north did not succeed in reducing fee rises on those campuses. But the spread of mass opposition by students and staff up and down the country – and the huge support they were receiving – was putting pressure on the government.

Just one day before the Canterbury occupation, prime minister Jenny Shipley had publicly ruled out any move to cut interest on student loans. But two weeks later, after occupations had spread from Canterbury to Victoria and Auckland, she did a back-flip. The National government announced that they would bring forward a 25% cut to interest rates and double the amount students could borrow for course-related costs. *TV2 Headline News* commented: “The government seems to have got the message from student protesters.”

Tertiary education minister Max Bradford trumpeted National’s generosity. Under the new interest regime, he said, a nursing student who borrowed the maximum amount and who (somehow) started on \$31,000 would pay off his or her loan in “just” 20 years instead of 25.

Helen Clark summed up the outrage felt by most students: “If this is a bribe, it is a pathetically small one.” But what she did not point out was that her own party’s policy was only slightly less pathetic. Under Labour, Bradford’s imaginary student would still be carrying the burden of debt for the next 18 years.

And she failed to draw the most important lesson from the revival of struggle in 1999 – that if a string of student occupations can force National to come

Why joint nationwide campus occupations?

Some student leaders argue that occupations are “too militant” and alienate potential supporters. Some say they deflect the heat away from the government. Others regard them as just one of a variety of tactics. But the lessons of 1996 and 1999 show otherwise. Mass campus occupations are a magnet for support from all those dissatisfied with the market. They represent the best way of taking the fight for free education to the campus bosses and the government.

When students occupy their registry and shut down the campus’ financial heart, they’re at their strongest. Disrupting the institution’s finances gives them real bargaining power. The longer students stay, the more pressure they put on campus bosses to yield. After the week-long Otago occupation in 1996, vice-chancellor Graeme Fogelberg said students had stopped 7,500 transactions worth \$1.3 million. This costs the bosses money as penalties for late payments build or interest is lost on income. Five days into the 1998 Massey occupation, chancellor Morva Croxon said it was costing \$15,000 a day.

Campus occupations put protesters in the middle of a sea of potential supporters – other students and campus workers. Because they’re high-profile, accessible, lasting actions, they can become a focus for wider grievances. Academic and general staff can, under the stimulus of occupations, move towards joint staff-student strikes. Occupations also provide opportunities for democratic debate by students about what is to be done. This clarifies objectives, tactics and organisation in students’ minds and boosts their will to win.

A joint nationwide campaign of campus occupations would boost morale further. It would make it impossible to claim, as tertiary minister Max Bradford did at Canterbury in 1999, that the problem is simply bad management at one campus and not the government’s user-pays policy. Most significantly of all, joint nationwide occupations that shut down the tertiary education system would begin to threaten business’ supply of skilled graduates and their campus-based research projects. They could even rouse the wider working class. Since business needs are government’s paramount concern, nationwide occupations would apply more pressure for change than any other student action. The rich will only accept higher taxes to fund free education if refusing it costs them even more.

When students control their registry, they collectively have a say over what happens on campus. Backed by staff action, occupations can start to raise the question of who should run these institutions anyway, and in whose interest? Joint nationwide campus occupations would give a glimpse of an entirely new kind of education system – one that’s run democratically by students and staff to benefit themselves and all working class people.

up with something better, a campaign of joint nationwide campus occupations could certainly force Labour to do the same.

Towards joint nationwide campus occupations

At the start of 2000, the prospect of joint nationwide campus occupations for the first time in New Zealand's history was real. The revival of occupations in 1999 radicalised large numbers of students new to any form of struggle. It also led to the formation of new fighting organisations like Auckland University's Fightback group.

A nationwide network of grassroots activists independent of NZUSA leaders has sprung up, loosely grouped around the idea of joint nationwide campus occupations for free education.

The Labour-Alliance government has promised a "thorough review" of the loans system in its first year. Even with the best Parliamentary lobbying from the Alliance, this review is extremely unlikely to recommend by itself the scrapping of Labour's policy. Even if it did, Labour would claim that the recommendations were "unaffordable" and the report would be shelved like so many others.

But building a campaign of joint nationwide campus occupations that shuts down the tertiary education system could make the outcome of this review different. It could press Labour to make real moves towards free education by making it more unaffordable for them to refuse.

5. VSM – An attack on students’ power

THE SUCCESS of student associations in organising opposition to user-pays since 1989 led the National government to try and break them. Their first attempt flopped. In 1994, National MP Michael Laws failed to muster the votes in Parliament to make membership of student associations voluntary. But four years later, a bill proposing binding referenda on Voluntary Student Membership (VSM) passed into law. In 1999, students all round the country were polled on the question of voluntary membership.

VSM is about stopping students having a voice. Its aim is to weaken students’ ability to fight for free education. On most campuses, the pro-VSM Student Choice campaign was run by the Young Nationals and ACT’s equivalent, Prebble’s Rebels.

The silencing of students’ voice was precisely what happened at Waikato University when the student union became voluntary in 1998. Despite a WSU membership fee of under \$30, less than 10% of the student body signed up to join. The vice-chancellor announced that WSU was no longer representative of students and axed the WSU reps on the university council. Student democracy was so undermined that the winning candidate for the position of 1999 student president polled just 46 votes.

Student associations play a key role in defending students because they are one of the few things uniting them. While capitalism’s need for large numbers of skilled workers brings thousands of students together, it also divides them. Divisions by race, gender and sexual preference fostered by rulers across the whole of society are carried onto the campus. The system of exams and grades pushes students to compete with one another. The market burdens them with huge debt as isolated individuals.

This is equally true on a national level. While NZUSA and APSU have undoubtedly tried to dampen down the more militant struggles of the past decade, their existence has helped unite students across campuses and give the fight for free education a national focus. They have been able to give a lead to campuses where grassroots activists have few if any links. To many students (and trade unions), a call for action from NZUSA and APSU has made a campaign more serious.

The Labour-Alliance coalition promises to repeal National’s VSM legislation. But their plans fall far short of re-building the fighting unions students need.

Freedom to choose

The key debate of the 1999 VSM referenda was over freedom of choice. The pitch from the leader of the pro-VSM lobby at Auckland University was simple:

“Freedom of association and freedom of choice are fundamental human rights. AUSA should be voluntary.”

But there’s no right to choose when it comes to paying fees or going into debt – under National or Labour. If you’re deep in debt, your individual choice is severely restricted. The pro-VSM campaigners, however, did not speak out against the rising debt. Former Waikato president and Student Choice leader Bryan Sinclair declared: “The role of the students union isn’t to take a position on tertiary fees”.

In our market-driven society, only the very rich have full individual choice. For the overwhelming majority, individual choice in most areas of life is restricted by a social and economic system structured to serve the interests of the wealthy few. Winning real individual freedom demands a fight against the market. And this must be a collective fight because an individual is powerless against the system. Only compulsory membership of student associations ensures that students confront campus bosses and the government united and strong. VSM is the ideology of minority privilege. Freedom of choice for the majority is protected best when student unions are compulsory.

To service or to fight?

National and their Student Choice allies on campus largely failed to break students’ allegiance to their unions. Despite a law forcing hard-up students to pay their 1999 membership fees in cash, students still voted to retain compulsory unionism at all four colleges of education, five out of six universities and 10 of the 24 polytechs.

Where they had more success, however, was in intimidating student executives and shifting their focus away from fighting for free education and more towards providing “value for money” student services.

Students’ associations have traditionally provided services for their members. The pro-VSM lobby argued that this should be the core role of students’ associations and that VSM would deliver these services more cheaply. On most campuses, their Left-wing opponents on student executives accepted the need to give more “value for money” to win the vote. Some explained that an increased focus in this area did not mean a weakened ability to fight the campus bosses and the government. But their actions showed otherwise.

Students at Otago rejected VSM by four to one – one of the biggest margins in the country. But the prospect of the upcoming referendum was enough to make the 1998 OUSA executive produce a “management of change” business plan to cut costs and membership fees. Internal debates over the plan consumed them. Their defensive position infected the campus. As a result, there were no big protests that year. The biggest protest on campus was against the executive itself. 80 rallied outside the OUSA office after they refused to put their business plan to a Student General Meeting to be democratically debated. Their focus on “value for money” and cost-cutting led to wholesale sackings and an attempt to ban trade union organisers from their premises. This soured

relations with campus workers and undermined staff-student unity against the bosses and government.

Canterbury's 1998 student executive, fearing a voluntary result in the coming year, called in corporate giants Sheffield Consulting to restructure the union. They cut the UCSA membership fee to zero, putting the union totally at the mercy of the campus bosses for money. At the council fees-setting meeting, the president voted with the vice-chancellor for fee rises. These were needed partly to fund UCSA.

Labour is quietly pleased that National's VSM legislation has cowed student leaders and led them to restructure. While they promise to repeal it, they have no intention of encouraging a return to fighting student unions. In 1998, Labour's tertiary education spokesperson Steve Maharey explained the "philosophy" behind his party's policy. "We believe", he said, "that student associations provide valuable services, available to all students".

Compulsory membership of such "service unions" will offer little resistance to Labour's user-pays policies. On the contrary, Labour hopes that shoring up the position of student executives will win them apologists for their policies on campus.

Many student politicians, although they usually keep quiet about it, are in fact members of the Labour Party or aligned with it. The convergence of views between student executive members and Labour is natural. Both rely on offering small improvements from above, within the existing system, to keep their privileged status. For some, like Helen Clark, toeing Labour's line as a student politician leads to a high-flying Parliamentary career. When students mobilise to fight for free education themselves, both student executives and Labour MPs find their positions to varying degrees under threat.

But while Labour have their own reasons for repealing VSM, the move will foster the conditions for re-building fighting unions. Compulsory membership will enable students to unite in mass action more easily and lift their confidence to do so. It will also legitimise the forums where grassroots activists can work to build democratic unions, driven from below by the mass will of their members to organise nationwide campus occupations for free education.

AUSA goes voluntary

The one university where students did vote to end compulsory membership – by just 98 votes from a total of 11,919 – was at Auckland. How did this happen?

The Right at Auckland University were well organised and well funded. But as on other campuses, they were only a tiny minority. In the VSM campaign, they were able to attract far wider support. The referendum was lost by Left-wingers on the AUSA executive who were attached to the reformist politics of Labour and the Alliance.

Rather than push a mass struggle against fees and debt, the Left were drawn into slanging matches through the student media. They refused to front at student meetings and link debate against VSM to the practical tasks of organising for

action. This gave the Right free rein. At meeting after meeting they posed as “democrats” and painted the aloof executive as “bureaucrats”. And without having to relate their ideas to practical questions, the Right could pass off their lies more easily. As a result, many came to see AUSA as a remote “club” and were swayed to cast a protest vote for voluntary membership.

VSM at Auckland did not lead to better value for money in services. 1999 students paid a compulsory AUSA membership fee of \$84 and a compulsory “student services levy” of \$75 to the university. Students enrolling in 2000 will pay \$150 to the university for far fewer services.

Much more importantly, however, VSM did not deliver the promised era of individual freedom and “fundamental human rights”. Instead, it ushered in a wholesale onslaught as the Right went on the rampage.

Freedom of speech was the first victim. In April, 5,000 copies of the *Craccum* student newspaper covering the VSM debate were stolen. The entire print run of the issue dedicated to student elections was torched. At meetings of the Student Representative Council, the Right-wing SRC chair stood by as Left-wingers were pelted with eggs.

Encouraged by the VSM result, the racists on campus crawled out from under their rocks. Letters started appearing in *Craccum* attacking “filthy” Asians. In October, the Right launched a referendum to abolish the positions of Women’s Rights Officer, Maori Students Officer, Pacific Island Students Officer and Overseas Students Officer from the AUSA executive. Another referendum proposed the abolition of Womenspace.

Whipping up racism and sexism was aimed at undermining student solidarity and making a united fight for free education impossible. This fitted perfectly with the Right’s primary goal of burying opposition to user-pays on campus and, if possible, nationwide.

Immediately after the referendum result, the executive had issued a statement saying that “action” on issues like fees and loans would now “come second”. They announced a withdrawal from NZUSA, threatening the continued existence of the national student body.

They then opened negotiations with the campus bosses to turn AUSA into a student services provider for the university. The council insisted that no funding to AUSA go to “politically affiliated clubs”. The executive agreed.

How to rebuild fighting student unions

The response of the neutered student executives to the revival of struggle in 1999 was disgraceful. During the Auckland occupation, two Right-wing members of the incoming executive published a statement condemning the action. The vice-chancellor said that “the position of AUSA on the matter” led him to call in the cops to break it up.

At Canterbury, most of the executive simply ignored the first occupation. But after hundreds of students rallied to defend the registry a second time and 6,000 signed a petition backing the occupation, it was too big to overlook.

The president was compelled to come to the registry and listen to the debates because that was where power lay.

After the occupation ended, an outpouring of anger at the executive led to talk of setting up a rival, more radical students' association. But this is not the way to build a fighting student union. It would simply have isolated the activists, divided the student body and allowed the government and vice-chancellor to play one group off against the other. How to build a fighting student union was seen instead during the Canterbury occupation and at Auckland after their eviction.

A debate at the first Canterbury occupation revolved around what to do about a student executive that was ignoring it. Some argued that the occupiers should show the same disdain to UCSA that the executive was showing to them. But others saw that the backing of the executive was important for winning support among the wider student body and staff. They resolved to approach the executive to seek their support.

The same strategy was followed during the second, bigger occupation. Unable to ignore the action and faced with a demand to back it, the Canterbury president had two choices – to be exposed before the mass of students as an agent of the campus bosses or to lend his support. He chose the latter. He was instructed by a mass meeting to put a resolution for a zero fee rise to the council fee-setting meeting. He reversed his support for fee rises and put the resolution.

The Auckland occupation showed what to do when executive members take the former option, siding with the bosses. The occupation had electrified the campus. Immediately after their eviction, the occupiers launched a petition for a Special General Meeting of AUSA to vote the Right-wingers out. Realising she wouldn't survive the vote given the current mood, one of the two signatories to the statement condemning the occupation announced she would step down. She only survived by withdrawing her resignation in the final days of term. Even then, the pressure from below forced the resignation of a Right-wing National Affairs Officer. The Auckland occupation also split the campus branch of the Labour Party. Members drawn into the action came out against their own party.

But ousting Right-wing executive members, while important, is not enough. With the best will in the world, any Left-winger on the student exec faces a myriad of pressures to think along the reformist lines of Labour or the Alliance.

The way to re-build fighting student unions and stop Labour using them as apologists for their policies is to neither ignore student executives nor focus on "capturing" them. It is to mobilise the mass of students in a campaign of nationwide occupations and demand the executives' support. To do this means building up the one group that rejects change from above and is committed to agitating at the grassroots to win liberation from below. Re-building fighting unions will go hand in hand with building revolutionary socialist organisation on campus.

6. The case for socialism

AT THE end of 1998, 40% of the world's economies were either in recession or at the brink. Panic gripped financial markets and Britain's *Financial Times* wondered whether the final "melt-down" was here. A year later, total collapse has been averted. But capitalism remains deeply mired in crisis.

Even before the latest slump, anger was growing against a system that produces more wealth than at any time in human history but leaves the majority ever poorer. Today, that anger is turning into revolt.

In July 1999, the UN reported that the three richest men in the world now have more personal wealth than the combined gross national product of the world's 48 poorest countries, home to over 600 million people. Yet still world rulers are trying to make ordinary people pay to bail out the system.

In Indonesia, the response was an uprising of millions of students, workers and urban poor. The 1998 Indonesian revolution overthrew the West's favourite dictator, Suharto. Two years later, the response in Ecuador was the same. A revolt by indigenous people early in 2000 backed by workers and students demanded an end to similar IMF-inspired cuts. After soldiers guarding the presidential palace deserted, thousands swarmed in and toppled the president.

In Europe, the level of working class struggle is the highest for decades. In France, four years of strikes from 1995 to 1999 have forced the government to cut the working week to 35 hours with no loss of pay. The mood in Europe has led to Labour parties winning landslide victories. And still the mood for change is growing. Britain is lagging behind the trend. Yet even there, opinion polls early in 2000 showed more people opposing Tony Blair's Labour government than supporting it. Support has not flowed back to the Tories like some mythical pendulum. British workers are now looking further Left.

By the close of the decade, revolt had spread to the bastion of the global capitalist system, the United States. The US economic "boom" of the 1990s has created the biggest gap between rich and poor since the Great Depression. The richest 0.5% of the population now own a whopping 42% of the country's financial wealth. On the opening day of the 1999 WTO talks in Seattle, 30,000 trade unionists and environmentalists battled riot police and shut down the city. A new term to describe the mood of the protesters has entered everyday use - "anti-capitalist".

New Zealand is very much part of this growing world turbulence. In 1998, the economy here nose-dived into recession. The strain brought the collapse of the National-NZ First coalition. The Fire Service announced the sacking of all 1,500 professional firefighters as part of a plan to save money for the insurance companies. The National government threw its entire weight behind them. But thousands of firefighters and supporters took to the streets in every major town and city. Workers vowed to break the law and strike in solidarity with the firefight-

ers unless the bosses backed down. The government went down to defeat.

In 1999, 1,500 workers at Fisher & Paykel struck, turning their backs on the philosophy of “teamwork” and partnership with the bosses foisted on them by union officials for a decade. Stagecoach bus drivers defied their union officials and walked off the job six times. Co-workers took illegal solidarity action. Nurses beat back their bosses after a wave of strikes spread from Hamilton to Tauranga, Canterbury, Masterton and Invercargill. The mood pushed National from office.

The crisis and instability that marks our lives raises a crucial question – what sort of politics do we need and what kind of organisation should we build? Over the past century there have been two quite distinct answers. One is the Labour-style argument for patient reform brought down from above by well-meaning MPs “when the economy allows”, a moment which never quite seems to arrive.

The record of the last Labour government is sickening. Free education killed off, trade unions undermined, Telecom, Air New Zealand, PostBank and 16 other state-owned enterprises privatised, a whopping 27 hospitals closed and a deal signed for \$1.5 billion worth of frigates.

The groundswell of disgust at Labour’s betrayals led the MP for Sydenham, Jim Anderton, to walk from the party in 1989. Three years later he was leading the newly-launched Alliance. The party pledged to reverse Labour’s tax cuts, raise social spending and re-nationalise privatised assets like Telecom.

Since its inception, the Alliance has claimed to represent “all New Zealanders”. But New Zealand is a class-divided nation like any other. A party cannot represent both the interests of New Zealand bosses and the diametrically opposing interests of ordinary people. It must choose.

Whenever they’ve been pushed to decide, Alliance leaders have sided with business. Under the guiding hand of Anderton, they have backed further and further away from radical measures to reverse the reforms of the last 15 years. Anderton’s first appearance on TV after the election was to stress his own credentials as a former businessman.

The Alliance have involved themselves in protests. Activists, recognising the need to legitimise their actions to the wider working class to build numbers, have welcomed support from a mainstream political party. But the Alliance leaders who steadily watered down party policies have also been very fickle allies.

In 1996, Anderton addressed Otago students occupying their registry. He expressed support, but then advised them to give up their action. He said they should leave it to him to push their case in Parliament. He did the same thing at the Massey occupation in 1998. On both occasions, students wisely refused. The promised campaigns from the floor of the debating chamber never materialised.

When the Alliance leaders become involved in a protest, it is to head off its potential to become a radical challenge to the system. For the Alliance, like Labour, takes capitalism as a given. Seeking change through Parliament means accepting the limits imposed by the bosses’ thirst for profits.

But there’s always been another answer, our revolutionary socialist answer

of change from below won by ordinary people themselves through struggle. Socialists reject capitalism and the poverty and crises it brings. We also recognise that the same workers who suffer under capitalism have the power to bring it down.

The bosses are nothing without the labour of workers. They are a tiny parasitic minority who live off others' work – but while that makes them rich, it also makes them vulnerable. Militant student rallies, strikes and occupation can win victories and force back governments. But imagine if IRD workers refused to process student loan repayments, or if lecturers refused to teach courses funded by fees.

That is why as socialists we argue for the most militant and political campaign possible and for winning workers' support on and off campus. Students and workers united can win free education. Such a victory would give us a glimpse of the power that organised workers have to change the whole of society.

But what would education be like under socialism? Socialists do not have a blueprint of the future socialist society. That future will be created by the democratic will of workers and the oppressed. But we can get an inkling by looking back at the kind of society that was created by past revolutions.

Russia in 1917 saw workers rise up and throw off the yoke of emergent capitalism. Parliament was dissolved, soldiers deposed their officers and workers and peasants seized control of the factories, the land and the riches of the rulers.

Education was revolutionised at every level. The mass of ordinary people were no longer dulled into a state of half-conscious drudgery by orders filtering down from the fabulously rich few. They no longer had to swallow ideas that served the ruling class but didn't square with their own experience.

John Reed, an American journalist who witnessed these events, described what he saw:

The thirst for education, so long thwarted, burst with the Revolution into a frenzy of expression. From Smolny Institute alone, the first six months, went out every day tons, car loads, train-loads of literature, saturating the land. Russia absorbed reading matter like hot sand drinks water, insatiable. And it was not fables, falsified history, diluted religion, and the cheap fiction that corrupts – but social and economic theories, philosophy, the works of Tolstoy, Gogol and Gorky....

"All Russia was learning to read", he said, "because the people wanted to know." They wanted to know because for the first time, they were making the big decisions and wanted to make the right ones for themselves.

The early years of the 1917 Russian Revolution give us a glimpse of what was possible, despite the backwardness of the country and the terrible conditions of civil war. For a few short years – until the revolution was crushed by the grey Stalinist bureaucracy – education started to become a road to liberation. Only days after the October 1917 revolution the Bolsheviks announced that free,

compulsory education would be introduced for all children and special classes would be organised for adults. In 1918, they introduced free access to universities without formal requirements, the provision of food, clothing and school material for children, and abolished competitive grading and examinations.

Socialists have clear ideas about the direction we would like education to take today. We stand for the free access to education for all people throughout their lifetime. We believe that the education that's been fought for and won under capitalism is an essential part of liberating people from the drudgery of life. Education under socialism would become a means of helping people reach their full human potential – what Karl Marx called the “totally developed individual”.

Education under socialism would be free. All the things students need to study – books and computers, decent accommodation, food and relaxation – would be made available on the basis of need, not capacity to pay. The distinction between worker and student would break down as the reduction in working hours would allow everyone the time to study.

Education would become a lifetime process, not an accreditation process. The authoritative hierarchies of capitalist education would be replaced by co-operation and democratic decision-making involving everyone. Research would aim to develop social good or critical inquiry rather than profit-making. In short, education would teach about human needs and how to meet them.

To win such a world will take a revolution. That can seem a huge step, but the starting point is to encourage every small fightback today. The politics of socialism from below means supporting every strike and demonstration against sackings or cutbacks, every protest for more social spending and union rights. Socialists argue not only for the repeal of the anti-union Employment Contracts Act in name, but restoration of the freedom to strike that the Act took away.

We need a student movement that does not curry favour with campus bosses or look to lobbying MPs to bail us out. And we need to combat the ideas that our rulers and their apologists popularise in order to confuse and divide us. Socialists reject the idea that Maori should “get out of grievance mode” or that immigrants are to blame for problems created by governments and employers. We reject the myth that women today have “got it all”. Sexism still exists and must be fought so that women students and workers can play the fullest role in the fightback.

Members of the Socialist Workers Organisation were at the heart of the 1996 Otago occupation and central to the nationwide revival of militant campus struggle in 1999. A minority with a clear idea about what to do can make a decisive difference. But we say that is not enough. While capitalism continues to exist, every reform we win today can be under attack at another time.

We have to build a revolutionary socialist organisation which can intervene in the everyday struggles of students and workers against our rulers and argue not just for the next step in the campaign but for socialism. The more people who join us, the more effective we become in fighting for socialism. If you agree, then do not hesitate to join us and fight for a better world.